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LEIPZIG FAIR REFLECTS SOVIETIZATION OF EAST GERMANY

/Numbers in parentheses refer to appended sources./

According to the East Berlin Nachrichten fuer Aussenhandel, the Leipzig Fair Association, a public law corporation, has been converted into a people-owned enterprise and public institution, with headquarters in Leipzig. Since the beginning of the fiscal year 1949 - 1950, the paper stated, the Leipzig Fair has been under the jurisdiction of the Ministry for Foreign and Intra-German Trade, in Berlin.(1)

The Zurich Neue Zuercher Zeitung said that top-level economic officials of the German Democratic Republic are complaining bitterly about the growing difficulties of interzonal trade caused by the imposition of stringent control measures by the Western occupation powers. Whereas shipments from the Federal Republic amounted to over 50 million clearing units in December 1950, they declined in January 1951 to 3.6 million clearing units. One may well question the sincerity of these complaints, the paper went on to say, since the East German economy is being systematically integrated into that of the Soviet bloc. The paper said that this is indicated not only by the appearance of numerous officials from all the satellite countries in Leipzig, but also by the fact that foreign trade of the German Democratic Republic, amounting to an estimated 2 billion dollars, is directed solely toward the East.(2)

The increased sovietization of Eastern bloc economies is perhaps the most striking feature noted in Leipzig, stated the West Berlin Der Tagesspiegel, noting the following: Besides orders for heavy machinery, railroad cars, and refrigeration equipment, an increase of orders from People's Democracies is noted in textiles, chemicals, industrial glass, and optical instruments. There are indications that such products will be utilized for military purposes to some extent. The People's Republic of China, for example, has been trying for some time to purchase 1,500 theodolites of certain sizes, a requirement which exceeds the Soviet Zone's entire annual production of this item. Theodolites will not be available to Western buyers until the fourth quarter

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of 1951. After the termination of present contracts, cotton and cellulose-fiber yarn will no longer be sold in Western markets. In the chemical industry the reduction of exports to the West has even led to extensive cancellations of orders accepted during the last quarter of 1950. For example, the entire annual production of 50-percent potash is to be shipped to the East.(3)

The Neue Zuercher Zeitung stated that barter with the West is secondary and is designed only to procure those products which are otherwise unavailable. Consequently, according to the paper Leipzig has lost much of its importance as a trade center between Eastern and Western Europe. Moreover, the paper continued, in the rigidly planned economy of the German Democratic Republic, the import and export volume is fixed in advance, and free trade is considerably restricted. Thus, the Leipzig Fair has lost its original purpose and has been reduced to a mere display of goods produced, offering an ever-diminishing scope of activity to private business. The paper went on to say that these changes have also caused the Leipzig Fair to lose its purely German character. The number of exhibitors from the Federal Republic has dropped from 742 in 1950 to 401 in 1951. The number of visitors from the West also seems to have declined. Trade between Switzerland and the German Democratic Republic amounted to 27 million Swiss francs in 1950, the paper continued. The Swiss received glassware, chemicals, textile machines, coniferous wood porcelain, typewriters, and briquettes, against pigments, pharmaceuticals, grape concentrates, apples and watches. Nonrenewal of the Swiss-German Democratic Republic trade agreement in the spring of 1950 has made it necessary for trading companies to resort to direct barter, and barely 100 Swiss businessmen attended the 1951 Spring Fair, the paper declared.

The total number of exhibitors shows a rise of four percent over previous figures, and the area occupied by exhibition stalls (143,000 square meters) was increased by 1.0 percent compared with 1950, according to the Neue Zuercher Zeitung.(2)

The East Berlin Statistische Praxis gave the following figures on the fair: The Five-Year Plan provides for an actual exhibition area of 210,000 square meters of which 110,000 square meters are to be devoted to the display of production goods (industrial exposition), and 100,000 square meters to the display of consumers' goods (commercial exposition, i.e., display of sample goods).

The following table gives comparative figures on the expansion of the display area and increase in attendance.

Year of Fair	<u>Area of Exhibits</u>		<u>No. of Visitors *</u>				
	<u>Commercial Displays</u>		<u>Industrial Displays</u>				
	<u>Sq. m</u>	<u>Percent of 1950</u>	<u>Sq. M</u>	<u>Percent of 1950</u>	<u>1,000</u>	<u>Percent of 1950</u>	<u>Percent of Foreign Visitors</u>
1946	7,329	--	9,026	--	172.4	--	0.2
1947	39,380	227	17,628	195	270.0	157	1.0
1948	55,573	141	30,564	173	193.9	72	2.0
1949	66,145	119	35,852	117	223.2	115	1.0
1950	78,867	119	52,571	147	248.4	111	1.5
1951 to present	80,514	102	62,787**	119	--	--	--

* Exclusive of employees in enterprises

** Exclusive of general fair grounds

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While the expansion of the display area for the industrial exposition affects all types of exhibits, Statistische Praxis stated, specific changes in trend are noted in connection with the trade exposition. The production of makeshift articles so typical of the postwar period, especially handicraft and novelty goods, has been discontinued almost entirely and more and better clothing, furniture, and household articles are being offered. The periodical said that space allotted at the Spring Fair to the display of these goods increased from 50.3 to 60.9 percent from 1946 - 1950, as shown in the table below:

	<u>Percent of Display Space</u>				
	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>
Food, clothing	23.7	25.2	28.1	28.1	31.0
Household articles	26.6	25.5	30.4	31.2	29.9
Other goods	49.7	49.3	41.5	40.7	39.1

The number of exhibitors at the Spring Fair has also risen progressively, showing an increase of 201 percent since 1946, according to the periodical:

<u>Year</u>	<u>Exhibitors</u>	<u>Year</u>	<u>Exhibitors</u>
1944	4,253	1948	6,448
1930	9,540	1949	6,782
1946	2,771	1950	7,903
1947	5,049	1951	8,352

The periodical stated that of the 8,352 exhibitors at the 1951 Spring Fair, 7,740 were from the German Democratic Republic, 401 from West Germany and West Berlin, and 211 from 16 various foreign countries.

The Leipzig Fair, the periodical went on to say, reflects the changes which have taken place in the economy of the GDR. While 93 percent of the exhibitors in 1946 were private enterprises, that figure had dropped to 50 percent by 1950. The number of exhibits of people-owned enterprises, on the other hand, rose to 34 percent and those of the manual trades to 13 percent. This trend continued in 1951. In absolute figures, however, the number of private exhibitors has increased considerably compared with 1946. In this connection, Statistische Praxis continued, the increase in collective exhibits by manual trade co-operatives is significant, as illustrated by the following table.

<u>Yr of Fair</u>	<u>People-Owned Enterprises</u>		<u>Manual Trade Enterprises</u>		<u>Other Private Enterprises</u>		<u>Other Exhibitors</u>		<u>Total Exhibitors</u>
	No of Exhibitors	Percent of Display Area	No of Exhibitors	Percent of Display Area	No of Exhibitors	Percent of Display Area	No of Exhibitors	Percent of Display Area	
1946	--	--	202	7	2,569	93	--	--	2,771
1947	--	--	444	9	4,605	91	--	--	5,049
1948	988	15	957	14	4,273	68	230	3	6,448
1949	1,734	26	1,008	15	3,974	58	66	1	6,782
1950	2,716	34	1,002	13	3,949	50	236	3	7,903

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According to the periodical, the Leipzig Fair shows still a third factor of transformation: the visitors also have changed. While in the past the main emphasis was on buyers, and other visitors were classed as sightseers, today workers and administrative functionaries form a large part of the actual attendance figures.(4)

According to the Neue Zuercher Zeitung, economic progress is apparent and the production incentive in the German Democratic Republic seems to be on a par with West Germany. The clumsiness of the planned economy rather than any lack of ability on the part of workers or engineers is responsible for the fact that industrial accomplishments were incommensurate with the efforts exerted, the paper continued.

Heavy industry, which has been given principal emphasis in the Five-Year Plan, was well represented, as were optical and precision instrument industries. Most of the instruments itemized in the long and varied production list of the Carl Zeiss Works are available for delivery. The automobile industry, on the other hand, is not yet operating in high gear, the paper said. The new models brought out have not gone into mass production, principally because of a shortage of sheet metal, tires, and other materials. The paper pointed out that curtailment of production facilities as the result of dismantlings may also be responsible for this delay.(2)

The West Berlin Der Tagesspiegel state that this year's exhibits disclose an acute shortage of nonferrous metals. Instead of bronze rolls, chromed-steel rolls are being used; alloy bearings are substituted for bronze bearings; sheet iron is used instead of brass, and screws are often made of plastic. The paper went on to say that lately there have been indications of bottlenecks in the production of stainless steel; the SACs (Soviet Corporations), however, have not been affected by this shortage, thanks to shipments from the USSR.(3)

According to the Neue Zuercher Zeitung, although, generally, the well-established trade names of old firms have been retained, there is no doubt in any one's mind as to the new ownership of these firms. The SACs and the people-owned enterprises dominate the fair.

This is nowhere more apparent than in the publishing field, the paper continued. The famous old Leipzig publishing houses have either disappeared from the picture entirely or all that remains of them is a vestige of their former productivity. SED-sponsored publishing houses have taken their place. For example, Volk und Wissen Verlag (People and Knowledge, i.e. Popular Information Publishing Company) has the monopoly on all educational textbooks, of which over 80 million have been turned out. Whereas at first the publishers concentrated on pre-1933 publications, new works are now being stressed, the paper declared. Primers appear to be free of political propaganda the paper said, but textbooks for older pupils concentrate entirely on Marxism and Leninism. Nearly all authors of history books are Russians. The Kultur und Fortschritt Verlag (Culture and Progress Publishing Company) publishes extensive literature on the USSR. Die Tat (Action and Achievement Publishing House), which is closely linked with the VVN (League of Victims of National Socialism), specializes in the Hitler era. Dietz Verlag publishes the works of Marxian theorists, and Ruetten und Loenning Verlag puts out belletristic literature. With the exception perhaps, of a recent Cervantes edition, illustrated by Hegenbarth, type-setting, paper, and format are not yet up to former standards, the paper concluded.(2)

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SOURCES

1. East Berlin, Nachrichten fuer Aussenhandel, 13 Dec 1950
2. Zurich, Neue Zuercher Zeitung, 14 Mar 1951
3. West Berlin, Der Tagesspiegel, 13 Mar 1951
4. East Berlin, Statistische Praxis, No 3, Mar 1951

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